

Bonterra Energy Corp. Announces 2017 Operational and Financial Budget and Operations Update for 2016

CALGARY, ALBERTA--(Marketwired - Dec. 20, 2016) - Bonterra Energy Corp. (www.bonterraenergy.com) (TSX:[BNE](#)) ("Bonterra" or "the Company") today announces its 2017 operational and financial budget.

In the interests of maintaining a prudent balance between funds flow and capital spending plus dividends, Bonterra has set its 2017 capital expenditures budget at approximately \$70 million which will largely be directed to new wells and facility upgrades primarily in the Pembina Cardium area. Given Bonterra's low corporate production decline rate of approximately 19 percent, the 2017 capital budget is anticipated to increase average annual production by approximately five percent over 2016, with volumes expected to range between 13,000 and 13,500 BOE per day.

Bonterra's 2017 forecasted funds flow is approximately \$140 million along with an additional \$10 million anticipated to be received for stock option exercises by directors and employees. With capital expenditures of \$70 million and monthly dividends maintained at \$0.10 per share representing approximately \$40 million annually, the Company anticipates approximately \$40 million will be available to reduce the outstanding bank debt.

The Company's budget and guidance are based on estimated commodity price levels for 2017 averaging US\$55 / bbl WTI oil and C\$3.00 / mcf AECO natural gas, an exchange rate of \$0.725 US/\$CDN and a quality differential of US\$3.50 / bbl. The Company's product mix for 2017 is anticipated to be weighted 66 percent to oil, 29 percent to natural gas and five percent to natural gas liquids.

In the context of ongoing volatility in commodity prices, Bonterra may elect to adjust the amount and timing of capital spending to ensure optimal returns while seeking to further lower its debt levels.

Operational Highlights for 2016

- Relative to other operators in the Pembina Cardium, Bonterra achieved one of the lowest all-in corporate cost structures (including royalties, operating costs, general and administration and loan interest payments) of approximately \$20 per BOE (US\$ 15 per BOE).
- The Company has a significant economic drilling inventory of approximately 750 net identified low-risk Pembina Cardium locations with incremental locations in the Belly River and Edmonton Sands plays in Alberta. The Company also has additional drill locations in Saskatchewan and NE BC. Bonterra owns and controls its infrastructure and operates approximately 89 percent of its Pembina Cardium production.
- The Company remains on target to exceed its full year average production guidance of 12,500 BOE per day, given solid performance reported in the third quarter that has continued into the fourth quarter. As such, average production volumes for full year 2016 are expected to be approximately 12,700 BOE per day.
- At December 31, 2016 Bonterra will have an inventory of four gross (2.2 net) drilled and uncompleted wells, which will be completed, tied-in and brought on production early in 2017.

Consistent with its underlying corporate strategy, Bonterra's priorities remain focused on maintaining financial flexibility while positioning the Company to achieve long-term growth in production, reserves and cash flow per share and overall returns to shareholders.

Bonterra Energy Corp. is a conventional oil and gas corporation with operations in Alberta, Saskatchewan and British Columbia. The shares are listed on the Toronto Stock Exchange under the symbol "BNE".

Forward Looking Information

Certain statements contained in this release include statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar expressions, relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this release includes, but is not limited to: expected cash provided by continuing operations; cash dividends; future capital expenditures, including the amount and nature thereof; oil and natural gas prices and demand; expansion and other development trends of the oil and gas industry; business strategy and outlook; expansion and growth of our business and operations; and maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do, what benefits will be derived there from. Except as required by law, Bonterra disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.

The TSX does not accept responsibility for the accuracy of this release.

Contact Information:

George F. Fink
Chairman and CEO
(403) 262-5307

Robb D. Thompson
CFO and Secretary
(403) 262-5307

Adrian Neumann
COO
(403) 262-5307
(403) 265-7488 (FAX)
info@bonterraenergy.com

<https://bonterraenergy.mediaroom.com/index.php?s=2429&item=122605>